

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5424
ANSWERED ON:22.12.2000
DEBT MANAGEMENT OFFICE
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government propose to set up its own independent debt management office instead of its being managed by the Reserve bank of India;
- (b) if so, the steps taken by the Government to bring about greater transparency and more effective monetary management; and
- (c) if so, the reasons therefor?

Answer

Minister of State in the Ministry of Finance (Shri Balasaheb Vikhe Patil)

(a) There is no proposal with the Government to set up an independent debt management office. However, a Working Group has been set up by the Department of Economic Affairs, Ministry of Finance, to examine the need for an integrated 'middle office' for public debt management, covering both external and domestic debt.

(b & c) The Government has taken a number of initiatives in consultation with the Reserve Bank of India to ensure greater transparency in fiscal policy and more effectiveness in monetary management.

These measures include the introduction of Ways and Means advances in place of ad hoc Treasury Bills involving automatic monetisation, financing of fiscal deficit through borrowing at market related interest rates, deregulation of interest rates, more reliance on indirect instruments like open market operations in the conduct of monetary policy, an appropriate legal, institutional and technological framework for regulation and development of government securities, money, and forex markets, and dissemination of a wide range of data and information to market participants.

The Government has also introduced the Fiscal Responsibility and Budget Management Bill, 2000 with the objective, inter alia, of ensuring greater transparency in fiscal operations.